

The Housing Crisis is Part of Capitalism's Crisis

For the last 35 years Government policy has been aimed at making us a nation of homeowners. From the Right to Buy to the deregulation of the banks, the main push was to get as many people as possible on the housing ladder and give us all a stake in capitalism. But now we face the biggest housing crisis for generations. House prices are more and more unaffordable and way beyond many people's wages. Meanwhile private rents are soaring and so is homelessness (up 26% in four years and the numbers of people sleeping rough in London is up by 75%). The dream of the property owning democracy is now a nightmare.

Back in the '80's, rent regulations were being dismantled in line with the return of free market ideology. From then on landlords have been able to charge as much as they want, so long as they do not 'price themselves out of the market'. At the same time the state was encouraging the 'right to buy': all part of the same policy of reducing state spending and artificially promoting the housing market. Prices started to boom. Estate agents, building societies, DIY stores flourished and make-over tv programmes made their first appearance. Even when the first crash happened in '91, prices kept on rising (by 90% between 2002 and 2007). The solution of the state – both Labour and the Tories – was to abandon caution to the wind, loosen up financial regulations even further and

encourage everyone to mortgage themselves up to the neck. Easy mortgages for your overpriced house meant prices kept rising, and so did home ownership.

Financial Crash

But not any more. Since the financial bubble burst in 2007 – a bubble inflated by the banks famously 'slicing and dicing' mortgages to use as collateral for further speculative dealing, we've been on a trend back towards private renting. The dream of home ownership is still being peddled. But the reality is becoming a nightmare. Banks and building societies are trying to reduce their financial losses and are no longer inviting anyone and everyone to take out a mortgage or loan. Most households in London now rent and elsewhere the gap between those who want to own but can't, has hit 5 million. Housing is still the object of financial speculation but fewer people can now pretend that being mortgaged up to the hilt guarantees a secure future. For private landlords, the current situation is a goldmine and some individuals are cashing in. (Private landlord Kevin Green, has personal wealth of £40m, and the family of one of Thatcher's Housing ministers at the time of the Right to Buy personally owns at least 40 ex-council flats on one estate alone). But the biggest winners in this have been private equity companies and investment banks who are seeking a steady source of profits in the wake of buying large swathes of real estate, especially in London, artificially pushing up prices and rents even further.

Where they've got rich, we've lost out. 800,000 people are on council waiting lists in London. Many have no hope of ever being re-housed. The truth is, there is no council safety net any more. Most of the decent stock is gone; over a third of it is now owned by rich private landlords and what is left is the worst housing in the poorest areas. For the UK's 'must reduce

public spending' state there is an unfortunate unintended consequence: A staggering increase in the cost of housing benefit as more and more of us are obliged to rent from private landlords. It is the most expensive working age benefit, and 85% of the rise in claims since 2009 has been from households where someone is in work. The bill stands at £24.11 billion, an increase of £3.24 billion under the present coalition. As Will Self put it in the *Financial Times* it's "part of the wider asset transfer from the state to the rich". And just to rub it in, rather than tackle high rents the government has brought in several welfare "reforms", including a cap on the amount of benefits any household can claim and the much despised bedroom tax.

The Bedroom Tax

Faced with a growing need for social housing from a depleted housing stock, the government decided that in order to free up larger properties (especially needed in London), it would impose a tax on unused or under-used bedrooms. The results have been disastrous. Most tenants have lost an average of £14 a week in benefits, with housing association tenants losing an average of £16. A quarter of households hit by the tax have been pushed into rent arrears for the first time. In the first months of the new system just over half of all tenants from 51 housing associations could not afford to pay their rent. As a result, some 50,000 people are now facing eviction. Now one council tenant in three is in arrears because of it. People have been forced out of their homes and neighbourhoods and the impact has been horrendous.

Help to Buy or Help to Profit?

The main impact of the Help to Buy scheme so far has been in the north where housing shortage wasn't a problem anyway. Again wealthy investors have cashed in on the scheme and so far its impact has been to push up rents and house prices even further. Again it's a subsidy to the well off.

Now that capitalism is facing life-

were evicted. They're still fighting under the banner of 'social housing for all'. And in Hoxton, East London one of the biggest victories came when tenants took on and beat Westbrook Partners, a US based pension fund speculator which bought their estate then planned to evict everyone from it before refurbishing it and letting out at market rents. The New Era residents, led by three mothers, criticised the social cleansing of working class people

from their neighbourhoods and eventually forced Westbrook to back down and sell to an affordable housing group. Anyone who stands up and fights like this is brave and their victories well deserved. As more battles become necessary, the more they link up with



threatening crisis all pretence that everyone has a right to a roof over their head is gone. Under capitalism, housing isn't seen as a human necessity, it's seen as an investment opportunity and the more houses bought up by rich investors, the higher the cost for the rest of us. As a result of investment in buy to let, London property prices have increased by 25% in a year. Moreover the whole situation is being made worse by local authorities. For instance many are trying to offset the cuts by selling off land, even when that means evicting their own tenants.

Focus E15 Mums and New Era Estate

Last year a group of single mothers occupied an empty block of council flats in Newham, East London. Their aim was to reclaim their flats after being told they would have to leave their estate as the council planned to demolish it. The mothers put up a brave fight for several months and eventually left the flats of their own accord before they

each other and share information and support the stronger they'll be. It's significant that people haven't just accepted this lying down, they're fighting back and winning. Collective struggle gives collective confidence and strength, ultimately for a wider battle. The truth is we've gone far beyond the point where anyone can really pretend that capitalism can solve the housing crisis. The women of Focus E15 are right; good decent housing is a human right and should be available for everyone. They are not taking things lying down. In the long term the housing crisis will only be solved when the working class has replaced capitalism with its own forms of government, when it can abolish rents and mortgages, give everyone security of tenure and organise housing according to who needs it, not who can squeeze the most money from it. We might be some way off from that, but in the meantime every organised fight for better housing is to be supported and applauded.

Class War on the Homes Front

The Glasgow Rent Strikes of 1915

“Remember that the only way to fight the class war is by accepting every challenge of the master class and throwing down more challenges ourselves. Every determined fight binds the workers together more and more, clears the heads of our class to their robbed and enslaved condition and prepares them for ... socialism.”

John Maclean, *The Vanguard*
December 1915

The Housing Question has always been an issue for the working class from the moment they were concentrated into urban slums in the nineteenth century. By 1914 90% of UK housing was in the hands of private landlords. In Glasgow this largely meant tenement buildings with one toilet for each “close” and no sanitation inside the house. Before the war there were plenty of empty flats so rents were fairly stable. However, by 1915 hundreds of workers had been brought into the shipyards, engineering and munitions works which covered the city. Rents soared. The Munitions Act made it illegal for war industry workers to change jobs. Most workers were

stuck where they lived. And the war also brought inflation. There was no restriction on capitalist profiteering. Like businesses and shopkeepers, landlords enjoyed following the maxim coined at the time of ‘business as usual’. By May 1915 Glasgow’s landlords decided that as costs (what costs? – they did no repairs) had gone up they might as well put up rents. Tenants rightly saw this as profiteering and refused to pay the increase but continued to give the “factor” (the landlords’ rent collector) the old rent. This was the start of the rent strike. The landlords responded by individual evictions via the Sheriff’s Court but were surprised by the collective response. Working class women formed tenants associations like the famous South Govan Women’s Housing Association led by Helen Crawford, Mary Barbour, Agnes Dollan and Jessie Stephens which eventually came to cover all working class Glasgow (and were nicknamed “Mrs Barbour’s Army”).

“All manner of peaceful activities were used to prevent evictions and drive out the Sheriff’s officers. There were constant meetings in an attempt to be one step ahead of the Sheriff’s officers. All



manner of communication was used to summon help, everything from drums, bells, trumpets and anything that could be used to create a warning sound to rally the supporters who were mainly women as the men were at work in the yards and factories at these times. They would then indulge in cramming into closes and stairs to prevent the entry of the Sheriff’s officers and so prevent them from carrying out their evictions. They also used little paper bags of flour, peasmeal and whiting as missiles directed at the bowler hatted officers.” (*Radical Glasgow* website)

They were not alone but were joined by militants from various groups and parties. Notices were printed in thousands “WE ARE NOT PAYING INCREASED RENT” and stuck in virtually every window. The solidarity these actions achieved was the

secret of its success. In May only 15,000 households were involved but by November this figure had doubled. Their tactics were also copied in Dundee, Aberdeen, Leeds, Bradford. Edmonton, Barrow, Workington, Coventry and Birmingham.

After a summer of defeat the landlords then tried to use the “small debts” court to have rent taken directly from the wages of the workers. Eighteen of them, including “Mr Reid” secretary of the Tenants Defence Association, were brought before the Sheriff’s court on 17 November 1915. It produced one of the largest demonstrations in Glasgow’s stirring working class history. Tens of thousands of men and women gathered to protest outside the Sheriff’s Court. But this was not just a matter of a single demo. Fifteen of the people charged were shipyard workers and this encouraged workers solidarity. Wildcat strikes erupted at the Fairfield (Govan) and Beardmore (Dalmuir) shipyards. The Sheriff was warned that any prosecutions would be met by a mass strike on the whole of the Clyde. It was no empty threat. A month earlier mass strikes had already forced the Government to release three of the unofficial shop stewards from the Clyde Workers’ Committee who had been imprisoned for resisting the Munitions Act. Suddenly the rules of the bosses’ legal system were thrown out of the window. As the protest

grew, the Sheriff adjourned the proceedings whilst he phoned Lloyd George – who told him to give in as a new rent restriction law was about to be passed. He then told the Court that though he was bound to “uphold the law”, “due to the seriousness of the situation” he considered it unwise for the trial to proceed. The factor was persuaded to withdraw the charge to much cheering in and out of the courtroom.

The strength of class solidarity turned this into more than a local victory over unfair rents. However, the wider context should not be forgotten. The bosses had a war on their hands and their first aim was to keep the supply of arms flowing. Bosses of munitions factories in Woolwich and Birmingham had already warned that the housing issue would lead to more strikes and wider unrest so had petitioned the Government to cap rents. The Glasgow rent strike was the proof of their worries. It led to the immediate implementation of the “1915 Rent Restriction Act” which benefited tenants across the country. This battle ended in victory (but not better housing). Its methods remain an inspiration. As John Maclean wrote at the time “the rent strike is the first step towards the political strike”. A hundred years later capitalism still exists and the class war on the homes front goes on...

The Rise and Rise of the World’s Homeless

Capitalism’s Empty Promises

Article 25 of the Universal Declaration of Human Rights asserts: *Everyone has the right to a standard of living adequate for the health and well-being of himself [sic] and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*



Pretend the problem does not exist. Spikes in entrance ways and cages over warm air vents are being used more and more to prevent people sleeping rough from dossing down. This is one of the anti-homeless cages installed outside Cardiff University buildings.

Fine words. As far as housing is concerned this means more than a shack in a shanty town without running water and basic amenities. In reality though, the number of people living in slums is growing year by year. The UN estimates that by last year there were 55 million

more slum dwellers in the world than in 2000. It’s all put down to “rapid urbanisation” and a “mal-functioning housing sector”. From Africa, through Asia, Latin America and the Caribbean, the number of people forced to exist in essentially sub-human conditions is projected to reach about 3 billion people, or 40% of the world’s population.

There is no bigger indictment of capitalism. No more glaring need to get rid of this system which has outrun its usefulness to humanity and is now responsible for increasing human misery on a gargantuan scale. Forget the argument that the ‘third world’ must be allowed to go through the teething pains of its own industrial revolution in order to ‘catch up’ with the west. We live in a world where architects win prizes for prestige skyscrapers for businesses and speculative dwellings for billionaires. No prizes are won for providing a civilised alternative for slum dwellers. There is no rosy future ahead. Today the whole globe belongs

to capitalism and its profit-based system. It is a system in deep crisis. The working class the world over are being made to pay severely, both as victims of warfare and in terms of lower wages, unemployment and every aspect of welfare. Last year, for the first time since the Second World War more

than 50 million were forced to flee their homes and became refugees as a result of capitalism’s wars. In Britain 1 in 10 of people sleeping rough are ex-squaddies, ‘heroes’ whose upkeep the state prefers to forget about. Whichever way you look at it capitalism is the problem not the solution. Homelessness is not just a blip, it is endemic and growing.

The powers-that-be try to sweep it out of sight and make it a crime, but homelessness is on the increase in the first world. In the rich and desirable land of plenty called the United Kingdom 500,000 are currently thought to be homeless. The bottom line is the growing number of people sleeping rough on our streets at night. Last year nearly six and a half thousand people were estimated to be sleeping on the streets of London alone. In the UK as a whole 112,000 have told councils they are actually on the streets whilst the rest make up the “hidden homeless”, not telling the councils or sleeping wherever they can, on relatives’ or friends’ floors etc. Since the 2008 financial crisis the most common cause of homelessness in Britain is quite simply the growing number of people who are being kicked out of ‘short-hold tenancies’ by private landlords.

Time to have done with it. Time to get rid of rotting capitalism and replace it with a classless, moneyless society without exploitation which meets all human needs. We call it communism. Whatever the name, this is the only viable alternative.

What We Stand For

The Communist Workers’ Organisation stands for a global society in which production is for need and not profit (and is therefore sustainable), where the state, national frontiers and money have been abolished, where power is exercised through class-wide organisations like workers councils. It is a society which can only be created through the activity of millions of human beings. Only such a society can rid us of the capitalist offspring of poverty, hunger, oppression and war: We call it communism but it has nothing in common with the Stalinist state capitalism of the old USSR.

In order to get there we are working to create a world proletarian political organisation: a ‘party’ for want of a better word. This organisation is not a government in waiting. It does not rule but it does lead and guide the struggle for a new world. The CWO by no means claims to be that party but only one of the elements which will come together in its formation. As the working class is more and more faced with the consequences of a crumbling capitalist system it will have to unite and confront capitalist power. We are not in competition with other genuinely working class organisations but seeks to unite on a clearly agreed political programme to prepare the way for the majority of the world’s population, the exploited of the earth, to overthrow the capitalist system and its bloody imperialist appetites.

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